

25 Ways To Save On Home Insurance

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There are many variables relative to a home that determine the rate that is charged for insuring the property. For example, homes constructed of Brick and that are detached from other homes, will get cheaper insurance rates than a home constructed of wood and that is attached on one or both sides. Also a 3 family home will cost more to insure than a one family home, as each unit adds another potential hazard with more stoves, kitchens, potential water leaks, and increased chances for human error that may cause a fire.

Below are some ways to save on your home insurance:

- 1) Purchasing a newer home will result in lower insurance rates.
- 2) Homes with flat roofs may cause more than homes with a pitched roofs as the later tends to protect more against leaks and collapses (i.e. from accumulated snow or ice on the roof).
- 3) Install a central alarm system (a system that automatically alerts the fire department or police if there is an emergency) rather than a local alarm. This can result in a decent discount, perhaps 10%.
- 4) When determining the insurance amount on the building, leave out the land as you are insuring just the building. Remember, the land does not burn and rates are based on the replacement cost of the building and not the appraised value of the property.
- 5) If you own vicious animals such as pit bulls, keep in mind that many insurance companies may refuse to insure your property or will charge higher rates, due to the increased liability.
- 6) Raise your deductible. By raising the deductible from say 0 to ,000 you can save a respectable amount on your insurance. Remember, you are insuring against catastrophic loss, not to cover any foreseeable loss.
- 7) Verify if your employer offers a group discount arrangement (also called affinity group discounts) with a particular insurance company.
- 8) If searching for a home, try to avoid homes in a designated flood area as this will require you to also purchase flood insurance in addition to homeowners insurance.
- 9) If you do not desire to be a landlord, buy a one family home as these are less expensive to insure than a 2 or 3 family home.
- 10) Maintain a good credit rating as many insurers now rate based on your credit history.

- 11) Always insure on replacement cost (RC) instead of actual cash value (ACV), as the former provides more coverage in the event of a loss.
- 12) Don't switch around. Some folks shop around regularly for lower insurance rates and this will only hurt them in the long run because many insurance companies reward those who stay with them over the long run, with possible discounts or loyalty credits down the road. Some insurers offer discounts once you have been with them for 5 or 6 years.
- 13) Make sure your home is secured by deadbolts, smoke detectors, fire extinguishers, and burglar alarm as these can help you get additional credits for a lower rate.
- 14) Consider a packaged policy. You should get a better rate by combining your home and auto in the same policy.
- 15) If applicable, always ask for a senior citizen discount.
- 16) Review your policy annually. Make sure that your property is insured for the correct amount to avoid that your property is underinsured, as over time the value of the property and its replacement costs will more than likely increase.
- 17) Remember, in most cases if you don't ask you won't get! So always ask first about all of the discounts that are available. If they don't volunteer any, ask about specific items (i.e. central alarm system).
- 18) Upgrades. You will receive a better rate if the plumbing, roof, heating and electrical have been upgraded within the last 10.
- 19) Avoid frivolous claims. If you have had prior claims over the past 5 years, this will result in higher rates. So try to avoid making claims on small losses; hence the rationale for a higher deductible.
- 20) Sprinkler system. Although this may not be a practical expense for many, an indoor sprinkler system should provide for a hefty discount.
- 21) If you own more than one property, inquire whether you will get a package discount by insuring more than one property with the same company.
- 22) Verify if you will receive discounts for paying electronically via electronic funds transfer from your checking account.
- 23) See if you can get a discount by paying each year in full instead of by installments.
- 24) If you do not smoke, verify if your insurance company offers a non smoker discount.
- 25) When shopping for a home, try to find homes located closer to a Fire station (less than 5 miles), and that is situated close to a fire hydrant (the closer the better).

I hope this article has been helpful.

By Robert Hernandez, President, [Frontier Insurance Agency.com](http://FrontierInsuranceAgency.com)

Robert is founder and President of Frontier Insurance Agency, a New Jersey based insurance agency offering auto, home, and business insurance products and services in New Jersey. For more useful insurance related articles and information visit: www.frontierinsuranceagency.com

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